



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Mike Dunleavy, Governor
Julie Anderson, Commissioner
Robert M. Pickett, Chairman

Regulatory Commission of Alaska

April 14, 2021

In reply refer to: Tariff Section
Files: TA152-97, TA113-118
TA157-37 and TA107-290
LO#: L2100137

Anna Merrill
Regulatory Affairs Manager
Utility Services of Alaska
P. O. Box 80370
Fairbanks, AK 99708-0370

Dear Ms. Merrill:

Golden Heart Utilities, Inc. (GHU) and College Utilities Corporation (CUC) filed tariff revisions for their water (TA113-118 and TA152-97, respectively) and wastewater utilities (TA107-290 and TA157-37, respectively) on March 1, 2021, seeking to update their Plant Replacement and Improvement Surcharge Mechanism surcharge. On April 13, 2021, the Regulatory Commission of Alaska approved the following tariff sheets:

- Tariff Sheet Nos. 30 and 99, filed March 1, 2021, with TA152-97 and TA113-118, by CUC and GHU, respectively; and,
- Tariff Sheet Nos. 26 and 95, filed March 1, 2021, with TA157-37 and TA107-290, by CUC and GHU, respectively.

The effective date of the tariff sheets is April 15, 2021. Enclosed are validated copies of the approved tariff sheets.

BY DIRECTION OF THE COMMISSION

Sincerely,

REGULATORY COMMISSION OF ALASKA

Becki Alvey (Apr 14, 2021 11:19 AKDT)

Becki Alvey
Tariff Section Manager

Enclosures

CANCELING

COLLEGE UTILITIES CORPORATION

PLANT REPLACEMENT IMPROVEMENT SURCHARGE MECHANISM

RECEIVED**MAR 01 2021**STATE OF ALASKA
REGULATORY COMMISSION OF ALASKA

d. Computation: (continued)

Formula: The formula for calculating the plant replacement surcharge percentage is as follows:

$$\text{PRISM} = \frac{((\text{EP} \times \text{WACC}) + \text{Dep} + \text{Taxes} + e)/2}{\text{PSAR}}$$

Where:

EP = the original cost of PRISM eligible plant net of accumulated depreciation. To the extent bonus depreciation is applicable to eligible plant, the Utility will make an adjustment to subtract related ADIT.

WACC = the weighted average cost of capital approved in the utility's most recent general rate case.

Dep = the depreciation expense related to PRISM eligible plant.

Taxes = the state and federal statutory tax rates applied to the equity return, and local property taxes applicable to the PRISM eligible plant.

e = the amount calculated under the annual reconciliation or any correction or adjustment of actual entries used in the calculation of the surcharge rate.

PSAR = the projected semi-annual revenues to be collected from customers.

PRISM WATER SURCHARGE RATE: The PRISM percentage is 3.4%

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PURSUANT TO:

TARIFF ADVICE NO: 152-97

EFFECTIVE: April 15, 2021

ISSUED BY: COLLEGE UTILITIES CORPORATION

BY:

Oran Paul

Title: President

CANCELING

10th REVISION

SHEET NO. 99

RECEIVED**MAR 01 2021**STATE OF ALASKA
REGULATORY COMMISSION OF ALASKA

GOLDEN HEART UTILITIES, INC.

PLANT REPLACEMENT IMPROVEMENT SURCHARGE MECHANISM

d. Computation: (continued)

Formula: The formula for calculating the plant replacement surcharge percentage is as follows:

$$\text{PRISM} = \frac{((\text{EP} \times \text{WACC}) + \text{Dep} + \text{Taxes} + e)/2}{\text{PSAR}}$$

Where:

EP = the original cost of PRISM eligible plant net of accumulated depreciation. To the extent bonus depreciation is applicable to eligible plant, the Utility will make an adjustment to subtract related ADIT.

WACC = the weighted average cost of capital approved in the utility's most recent general rate case.

Dep = the depreciation expense related to PRISM eligible plant.

Taxes = the state and federal statutory tax rates applied to the equity return, and local property taxes applicable to the PRISM eligible plant.

e = the amount calculated under the annual reconciliation or any correction or adjustment of actual entries used in the calculation of the surcharge rate.

PSAR = the projected semi-annual revenues to be collected from customers.

PRISM WATER SURCHARGE RATE: The PRISM percentage is 3.4%

I

PURSUANT TO:

TARIFF ADVICE NO: 113-118

EFFECTIVE: April 15, 2021

ISSUED BY: GOLDEN HEART UTILITIES, INCBY: Oran Paul

Oran Paul

Title: President

CANCELING

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REGULATORY COMMISSION OF ALASKA

COLLEGE UTILITIES CORPORATION

PLANT REPLACEMENT IMPROVEMENT SURCHARGE MECHANISM

d. Computation: (continued)

Formula: The formula for calculating the plant replacement surcharge percentage is as follows:

$$\text{PRISM} = \frac{((\text{EP} \times \text{WACC}) + \text{Dep} + \text{Taxes} + e)/2}{\text{PSAR}}$$

Where:

EP = the original cost of PRISM eligible plant net of accumulated depreciation. To the extent bonus depreciation is applicable to eligible plant, the Utility will make an adjustment to subtract related ADIT.

WACC = the weighted average cost of capital approved in the utility's most recent general rate case.

Dep = the depreciation expense related to PRISM eligible plant.

Taxes = the state and federal statutory tax rates applied to the equity return, and local property taxes applicable to the PRISM eligible plant.

e = the amount calculated under the annual reconciliation or any correction or adjustment of actual entries used in the calculation of the surcharge rate.

PSAR = the projected semi-annual revenues to be collected from customers.

PRISM WASTEWATER SURCHARGE RATE: The PRISM percentage is 2.36%

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PURSUANT TO:

TARIFF ADVICE NO: 157-37

EFFECTIVE: April 15, 2021

ISSUED BY: COLLEGE UTILITIES CORPORATION

BY: Oran Paul

Oran Paul

Title: President

CANCELING

10th REVISION SHEET NO. 95

GOLDEN HEART UTILITIES, INC.

PLANT REPLACEMENT IMPROVEMENT SURCHARGE MECHANISM

RECEIVED**MAR 01 2021**STATE OF ALASKA
REGULATORY COMMISSION OF ALASKA

d. Computation: (continued)

Formula: The formula for calculating the plant replacement surcharge percentage is as follows:

$$\text{PRISM} = \frac{((\text{EP} \times \text{WACC}) + \text{Dep} + \text{Taxes} + e)/2}{\text{PSAR}}$$

Where:

EP = the original cost of PRISM eligible plant net of accumulated depreciation. To the extent bonus depreciation is applicable to eligible plant, the Utility will make an adjustment to subtract related ADIT.

WACC = the weighted average cost of capital approved in the utility's most recent general rate case.

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Taxes = the state and federal statutory tax rates applied to the equity return, and local property taxes applicable to the PRISM eligible plant.

e = the amount calculated under the annual reconciliation or any correction or adjustment of actual entries used in the calculation of the surcharge rate.

PSAR = the projected semi-annual revenues to be collected from customers.

PRISM WASTEWATER SURCHARGE RATE: The PRISM percentage is 2.36%

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PURSUANT TO:

TARIFF ADVICE NO: 107-290

EFFECTIVE: April 15, 2021

ISSUED BY: GOLDEN HEART UTILITIES, INC

BY: Oran Paul

Oran Paul

Title: President